

EXECUTIVE SECRETARIAT**Routing Slip**

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SUSPENSE		23 April Date			

Remarks:

Please coordinate with DDI and DDO and provide comments to DCI for forwarding to NSC Staff.

Executive Secretary

12 Apr 82

Date

C637 (10-81)

State Dept. review completed

NSC review completed.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

100- 82-4819

SECRET ATTACHMENT

April 9, 1982

MEMORANDUM FOR L. PAUL BREMER
Executive Secretary
Department of State

LIEUTENANT COLONEL ROBERT P. MEEHAN
Assistant for Interagency Matters
Office of the Secretary of Defense

SUBJECT: ACDA Report on Arms Control
Policies in the Middle East

Before taking action on the attached review (Tab ^aA) forwarded
by ACDA Director Eugene Rostow, we would appreciate your
review and comments.

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

Attachment

Tab ⁱA - ACDA Report

cc:

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Executive Secretary
Central Intelligence Agency

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UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON

OFFICE OF
THE DIRECTOR

March 1, 1982

Dear Bill,

You will recall that during the summer and fall of 1981, the application of standing arms control policies in the Middle East generated a number of disagreements within the government about how best to achieve United States foreign policy objectives for the region. On November 5, 1981, (Tab A), ACDA therefore recommended an NSC review of our Middle East policy in order to clarify the guidelines under which it seeks to carry out its responsibilities to the statutes and to the President.

In a memorandum dated December 22, 1981, (Tab B), the President agreed with ACDA's principal recommendation, that calling for a policy review. In order to prepare for future NSC deliberation, the President directed that the Department of State, in conjunction with the Arms Control and Disarmament Agency, write a paper on the "policy issues involved in United States approaches to arms transfer, arms control, non-proliferation, and related matters in the Middle East." This paper was to be coordinated with other responsible agencies and the NSC Staff.

As you know, it turned out to be impossible for ACDA and the State Department to agree on the scope of the paper called for by the President's memorandum of December 22. With your concurrence, ACDA therefore prepared the present memorandum, which is addressed to all the issues specified in the President's directive.

The Honorable
William P. Clark,
Assistant to the President
for National Security Affairs.

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At Tab C I attach an exchange of letters on the matter between ACDA and the State Department. Since the broad policy review ordered by the President on December 22, 1981, is more urgently needed than ever, I am submitting to the President herewith a Memorandum of Transmittal and Staff Paper, sending copies to the Department of State, the Department of Defense, and the Director of the Central Intelligence Agency.

I recommend and request that the NSC review of these issues be scheduled in the very near future. The delay in carrying out the President's directive has been costly.

Yours sincerely,



Enclosures:

- Tab A - ACDA Memorandum, Nov. 5, 1981
- Tab B - Presidential Memorandum, Dec. 22, 1981
- Tab C - Exchange of Correspondence
- Tab D - Memorandum for the President
- Tab E - ACDA Staff Paper

cc: The Secretary of State

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UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTONOFFICE OF
THE DIRECTORSECRET

November 5, 1981

MEMORANDUM FOR THE PRESIDENT

THE WHITE HOUSE

Subject: Arms Control Issues Affecting the Middle East

ISSUES:

1. A number of current problems on ACDA's agenda have raised questions which require a clarification of our Middle Eastern policy in certain particulars. The most recent is a controversy between ACDA and the State Department over instructions to our UN Mission for consultations with Egypt about an Egyptian draft General Assembly Resolution on Establishing a Middle East Nuclear Weapons Free Zone. The immediate issue in that connection is whether we could support a Resolution which called on Israel to give up its nuclear weapons potential at Dimona without at the same time calling on the Arab states to make peace with Israel in accordance with Security Council Resolution 242. Last year's Resolution on the subject, which the United States approved, balanced these two ideas -- peace and signing the Non-Proliferation Treaty. The State Department would now drop the reference to peace in the Resolution. ACDA believes it would be wrong in principle to do so, and a profound mistake under present circumstances.

There could hardly be a worse time for us to fail in persuading Egypt to sponsor a MENWFZ Resolution which Israel could support. To let things drift in the present pattern could well lead to a serious outbreak of violence in the region.

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The MENWFZ episode is not taking place in a vacuum. It is one of a series of major occurrences, each one of which has deepened Israeli fears and suspicions -- always near the surface in any event. There were good reasons why Israel was surprised by the intensity of our reaction to its raid on the nuclear reactor in Iraq. It could say nothing about the background of that raid in public, but the affair rankled and rankles still. Then came the Security Council Resolution on the subject, which we supported, although the Resolution repudiates the legal theory justifying our behavior in the Cuban Missile Crisis of 1962. The Security Council Resolution led straight to the fuss in Vienna at the meeting of the International Atomic Energy Agency in September. At that meeting, a last minute American effort barely succeeded in blocking a resolution calling for the suspension of Israel from the Agency because of its June 7 air attack on the Iraqi nuclear reactor.

This chronicle of cumulative and self-reinforcing trouble goes even further. It includes AWACS, of course; the slowness and ambiguity of our plans for establishing our military presence in the area; qualitative and quantitative changes in the military balance; the disturbing shut-off of arms sales to Israel; and our various statements on Prince Fahd's peace proposals, which never tie those proposals back to Resolution 338 and peace.

The impact of this cycle of events on Israeli opinion has been disastrous. Careful and experienced students of Israeli affairs have advised me with great concern that a sizeable and influential bipartisan group in Israel (and in the Israeli Knesset and Cabinet) perceives United States policy as a complete reversal of alliances -- a sell-out of Israeli interests in order to truckle favor with Saudi Arabia. These observers tell me they "cannot over-emphasize or exaggerate" the gravity of this development. A mood of something close to hysteria is building up. My informants believe these misperceptions could easily lead the Israelis to desperate attempts to protect their security interests by military means. They mention the bases in the Sinai and the missiles in Lebanon; they wonder if Camp David is dead, to be replaced by Fahd's plan; they harbor even more panicky thoughts. Israel has pointedly raised with us and with France the question of Pakistan's nuclear intentions.

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Developments of this kind could obviously have the most adverse impact on our national interests in the area.

Under these circumstances, it is essential that we seek to reassure the Israeli Government about our real motivations and intentions, in action as well as in words, so as to keep the peace process moving forward, and not to take any steps, however minor, which will increase Israeli concerns. We are dealing here with extremely sensitive and explosive perceptions. We should treat them with great care.

As you know I have had some experience in handling Middle Eastern problems in the past. I am a convinced advocate of what is sometimes called an "even-handed" policy in the Middle East. Some of the steadiest and most far-sighted leaders of opinion in Israel -- and many Americans as well -- are wondering whether we have abandoned this wise rule in recent months.

I therefore recommend that you call a meeting of the National Security Council to review the policy issues necessarily involved in our approaches to these ACDA problems, so that your detailed guidance will be available to us on the considerable list of arms control, arms transfer, non-proliferation, and related matters we face every day involving the Middle East.

APPROVE _____ DISAPPROVE _____

2. Pending the outcome of this review, I recommend also that you instruct us to press, in the UN and elsewhere, for a policy which would link Israeli adherence to the Non-Proliferation Treaty or the equivalent to Arab compliance with Resolutions 338 and 242. The immediate background of the controversy on this question appears at Tab A. In the context of the consultations with Egypt about its draft MENWFZ Resolution, the language ACDA wants included is as follows:

"Considering that an agreement establishing a MENWFZ would be an important element in the achievement of a just and lasting peace in the area."

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DISCUSSION:

The clearest and most current instances of unresolved conflict in our Middle Eastern policy is illustrated in the history of our efforts to work with Egypt and Israel on the Middle East Nuclear Weapons Free Zone project, particularly at the UN.

Shortly after the Iranian and Israeli raids on the Iraqi nuclear research reactor (Tammuz) in Tuwaitha last spring, ACDA began actively to explore the practical feasibility of the project for establishing a Middle East Nuclear Weapons Free Zone. The notion was discussed affirmatively at an NSC meeting on Non-Proliferation Policy which you attended, and later with Secretary Haig and Richard Allen, both of whom approved my sounding out a number of interested countries on the subject. In those early discussions, we all viewed the possibility as a no-lose venture for the United States. If it succeeded, as the Treaty of Tlatelolco did, it would be a massive and effective check to the tendency of nuclear weapons to proliferate in the Middle East and Southern Asia. It could not succeed, we all agreed, unless the Arab states other than Egypt made peace with Israel in accordance with Security Council Resolutions 338 and 242, as Egypt had done. Peace between Israel and its neighbors has of course been a major goal of American policy in the Middle East since 1948. If peace were made, it was fair to assume that Israel would accept the Non-Proliferation Treaty and an approved system of international safeguards -- that is, it would give up its nuclear weapon potential at Dimona in exchange for peace. On this issue I was officially informed that "all things would be possible in a condition of peace." If we failed, we should be no worse off than we were when we started.

Our preliminary conversations with Israel, Egypt, and a number of other countries were favorable; we held several interdepartmental meetings; and we took the position described in the attached passage from a

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speech of mine at the UN (Tab B). That position was discussed in advance with the Egyptian Ambassador to the UN, and modified to meet his advice. He said he was very pleased with our statement, and undertook to consult with us -- and only with us -- in advance of filing an Egyptian Resolution for consideration by the General Assembly.

On October 25, the Egyptian Ambassador showed Ambassador Fields the Egyptian draft at USUN. It violated all the assurances he had given me in the preliminary conversation a few days earlier. Nonetheless, we sent Ambassador Fields instructions, fully approved by the State Department (Tab C), which suggested modifications in the Egyptian draft. Those modifications dealt with the two points we had discussed earlier -- (1) peace as the quid pro quo for NPT; and (2) the broad principle that the Nuclear Weapons Free Zone could only come into being on the basis of agreements freely negotiated by the states of the region. The Egyptians were putting forward a resolution that purported to "establish" a NWFZ by a Declaration of the General Assembly and thus obviate the need for direct negotiations and a Treaty. The United States has always regarded such boot-strap "Declarations" as beyond the constitutional powers of the General Assembly, which is confined by the Charter (with a few exceptions not relevant here) to making "recommendations."

After another talk with the Egyptians, our people in New York came back and suggested further changes in the instructions. At that point, the Middle Eastern Bureau of the State Department (NEA) reversed itself, and the other bureaus followed NEA's lead. The "peace" sentence in the telegram at Tab C was abandoned, although the Resolution approved at the General Assembly last year referred approvingly to "peace" twice.

The NEA memo on the basis of which the State Department reversed itself (Tab A) argues that it would "overload" the peace process to link it to the NWFZ

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project. The NEA memo seems to be drafted as if "the peace process" in the Middle East consisted entirely of Camp David. If this reading is correct, the memo is quite wrong. The framework for the "peace process" is Security Council Resolution 338, which makes Resolution 242 mandatory and orders the states of the region to sit down "immediately" and negotiate peace in accordance with all the provisions and principles of Resolution 242. The "peace process" in the Middle East is our effort to get the Arabs to carry out their legal obligation to obey 242. Camp David deals with one aspect of that process -- the making of peace between Israel and Egypt. In addition, Camp David contemplates the possibility of five-year transitional arrangements for the West Bank and the Gaza Strip -- unallocated parts of the British Mandate not under the sovereignty of any state since the time of the Turks -- until Jordan makes peace. Under Resolution 242, Israel is not obliged to make changes in the administration of the West Bank and the Gaza Strip until Jordan does make peace.

Pressing other Arab states to comply with Resolutions 338 and 242 cannot interfere with the effort to go forward with the Camp David agreements. It would complement that effort. While ACDA accepted changes in the language which Ambassador Fields thought he could then persuade the Egyptians to accept, it stood firm -- and still insists -- on the principle that it would be undesirable and will in any event be impossible to get a MENWFZ save through the procedure used for the Latin American NWFZ -- direct negotiations between the parties resulting in a Treaty. In addition there must also be full Arab compliance with Resolution 338, and Israeli acceptance of NPT or an equivalent system of safeguards.

Thus the first issue for you to decide is whether our support for the Egyptian MENWFZ Resolution at this stage should be conditional on a sentence indicating that peace in compliance with Resolution 338 is the counterpart for Israel's giving up its nuclear weapon potential at Dimona. All previous General Assembly Resolutions on the subject have blessed peace as well as NPT.

Because the State Department has changed its position, we are in great danger of missing the boat altogether.

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A few days ago, the Egyptians told us they would go it alone, on the basis of their own Resolution. For the moment, we have pulled them back from the brink. But the odds remain high that they will slip away. This would mean a great risk that we should be left isolated with the Israelis in the end, unless we could persuade the Europeans, the Australians and New Zealanders, and a number of other countries to join us in blocking something close to the original Egyptian Resolution. That, however, is not a very promising prospect.

Does the Egyptian position mean that Egypt is moving away from us, perhaps because it feels we are being too attentive to the Saudis? Is it trying to edge closer to extreme Arab opinion?

II.

This could hardly be a worse time for us to fail in persuading Egypt to sponsor a MENWFZ Resolution which Israel could co-sponsor or support. To let things drift now would be a serious mistake which could lead to another outbreak of violence in the region.

This episode is not taking place in a vacuum. It is one of a series of major occurrences, each one of which has deepened Israeli fears and suspicions -- always near the surface in any event. There were good reasons why Israel was surprised by the intensity of our reactions to its raid on the nuclear reactor in Iraq. It could say nothing about the background of that raid in public, but the affair rankled and rankles still. Then came the Security Council Resolution on the subject, which we supported, although the Resolution repudiates the legal theory justifying our behavior in the Cuban Crisis of 1962. The Security Council Resolution led straight to the fuss in Vienna at the meeting of the International Atomic Energy Agency in September. At that meeting, a last minute American effort barely succeeded in blocking a resolution calling for the suspension of Israel from the Agency because of its June 7 air attack on the Iraqi nuclear reactor.

But the Conference adopted, 51 to 8, with 27 abstentions, a resolution cutting off the technical

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assistance that Israel normally would receive. If Israel does not agree to submit all of its nuclear installations to Agency inspection, it faces another vote of expulsion next year. As a result, the Israelis are furious with IAEA and more disillusioned than ever with NPT although they do understand and appreciate the all-out effort we made at IAEA. And we shall have a long hard diplomatic battle to solve the problem before and at the next meeting.

The Israelis have indicated that they would not submit their nuclear installations to Agency inspection or accede to the Treaty on the Non-Proliferation of Nuclear Weapons before a comprehensive peace has been negotiated. There is, therefore, a direct and important relationship between the "peace process" and a nuclear weapons free zone in the Middle East.

If we can succeed in having a UN General Assembly Resolution that proposes the establishment of a nuclear weapons free zone in the Middle East also recognize the significant relevance of the "peace process" to such a zone, we shall succeed in reinforcing the peace process and at the same time facilitate Israeli willingness to enter into a nuclear free zone agreement.

If we fail to seize this opportunity we risk Israeli reactions that will increase the possibility of its expulsion from the International Atomic Energy Agency next year, gravely weaken IAEA as an institution and endanger our non-proliferation objectives in the Middle East. Should the Israelis be expelled there is a strong possibility that they could conclude that their survival as a state in the region requires them to obtain a disclosed nuclear capability to deter war against them. In such event, of course, we should face a nuclear arms race in the Middle East and all it implies.

This chronicle of cumulative and self-reinforcing trouble goes even further. It includes AWACS, of course; the slowness of our plans for establishing our military presence in the area; qualitative and quantitative changes in the military balance; and our various statements on Prince Fahd's peace proposals, which never tie those proposals back to Resolution 338 and peace.

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The impact of this cycle of events on Israeli opinion has been disastrous. Careful and experienced students of Israeli affairs have advised me with great concern that a sizeable and influential bipartisan group in Israel (and in the Israeli Knesset and Cabinet) perceives the United States policy as a complete reversal of alliances -- a sell-out of Israeli interests in order to truckle favor with Saudi Arabia. These observers tell me they "cannot over-emphasize or exaggerate" the gravity of this development. A mood of something close to hysteria is building up. My informants believe these misperceptions could easily lead the Israelis to desperate attempts to protect their security interests by military means. They mention the bases in the Sinai and the missiles in Lebanon; they wonder if Camp David is dead, to be replaced by Fahd's plan; they harbor even more panicky thoughts. Israel has pointedly raised with us and with France the question of Pakistan's nuclear intentions. Developments of this kind could obviously have the most adverse impact on our national interests in the area.

Under these circumstances, it is essential that we seek to reassure the Israeli Government, in action as well as in words, about our real motivations and intentions so as to keep the peace-process moving forward, and not take any steps, however minor, which will increase Israeli concerns. We are dealing here with extremely sensitive and explosive perceptions. We should treat them with great care.

This is not a narrow issue, affecting the text of a General Assembly Resolution. It would be a catastrophe for our diplomacy to condone an international effort to press Israel to sign the Non-Proliferation Treaty before its neighbors make peace. Yet that would be the effect if anything like the Egyptian Resolution should emerge from the UN mill.

Its passage without strong American and Western opposition would feed the fires of hysteria in Israel, and encourage those who think we are favoring Arab interests and ignoring legitimate Israel concerns. As a general principle, I do not believe that we should support UN resolutions which do not make sense, and I recommend that our people in New York be authorized

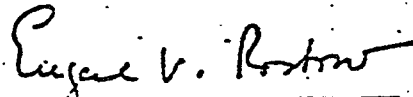
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to negotiate changes in the proposed Egyptian draft which could both make it acceptable to us and realistic. Hopefully, it is not too late to put Egypt and Israel back into harness together in the UN -- a result worth a great deal to our diplomacy and the cause of peace.

Unless this is done, I recommend that we treat the situation on a full crisis basis. I for one would be most reluctant to recommend additional arms sales to moderate Arab states until we change these Israeli perceptions and restore our relations with Israel. When Israel feels abandoned, it strikes. It is all too easy to understand what lies behind this syndrome.



Director, Arms Control
and Disarmament Agency

Attachments:

- Tab A - NEA Memorandum
- Tab B - Excerpts from UN Speech
- Tab C - State 28432